

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
3:05CV203-MU**

CHRISTOPHER H. BROWN, B.S.,
DENT, D.D.S., P.A.,

Plaintiff,

v.

SLS INTERNATIONAL, INC.

Defendant.

ORDER AND JUDGMENT

This matter was before the court upon the Plaintiff's Motion in the Cause for Enforcement of Mediated Settlement Agreement ("the Motion") to which the Defendant has offered no response.

It appears from the Motion that on January 25, 2007 the parties and their respective attorneys appeared at a mediated settlement conference convened by Jeffrey J. Davis, the mediator selected by the parties to mediate this matter. After extensive negotiations the parties reached an agreement which was reduced to writing and signed on behalf of the Plaintiff by its principal, Christopher H. Brown, and on behalf of the Defendant by its president, John Gott ("Gott"), along with their respective primary counsel. A copy of the mediated settlement agreement and term sheet (the "Agreement") was attached to the Motion as Exhibit 1. Thereafter Defendant and Gott refused and have continued to refuse to comply with the terms and conditions of the Agreement. Despite the passage of five and a half months, Defendant and Gott have never indicated they are prepared to comply with their obligations under the Agreement, even after being advised that their continued failure to do so would result in a motion to compel enforcement of the Agreement. Plaintiff at all times herein has been ready, willing and able to comply with the Agreement.

It further appears that the Plaintiff is entitled to the relief requested in the Motion, that the Motion should be granted and judgment should be entered in favor of the Plaintiff against the Defendant and Gott as set forth in the agreement reached and signed by the parties on January 25, 2007.

IT IS THEREFORE ORDERED that the Plaintiff's Motion in the Cause for Enforcement of Mediated Settlement is granted and judgment is entered in favor of the Plaintiff against the Defendant and Gott as follows:

1. A monetary judgment in the amount of Seventeen Thousand Dollars (\$17,000) plus statutory interest from February 25, 2007 is hereby entered in favor of the Plaintiff against the Defendant. SLS is hereby directed to issue a certified or official check payable to the Plaintiff and see that it is in the hands of Ronald S. Herzog, Snow Becker Krauss P.C., 605 Third Avenue, New York, NY 10158-0125 no later than ten days of the date of hereof. If Defendant fails to do so, Plaintiff shall have execution thereon.

2. A judgment directing the Defendant to deliver two Mahogany HT-2401 Home Theatre Systems to the Plaintiff, care of Christopher H. Brown, 16902 Harbor Master Cove, Cornelius, NC 28031-7797, to be in his possession no later than ten days from the date hereof. If Defendant fails to do so, Plaintiff shall be entitled to a money judgment in the amount of Thirty-Six Thousand Dollars (\$36,000) against the Defendant and have execution thereon.

3. A judgment directing the Defendant, through Gott, to deliver to the Plaintiff within ten days of the date hereof 100,000 (one hundred thousand) shares of Gott's common stock of the Defendant subject to the terms and of the Agreement which

are hereby incorporated herein. If the Defendant fails to do so, Plaintiff shall be entitled to a money judgment against SLS and Gott, jointly and severally, in the amount of Fifteen Thousand Dollars (\$15,000), based on the price per share of SLS common stock on the date of the Agreement, and shall have execution thereon against both SLS and Gott; and

IT IS FURTHER ORDERED that a decision as to whether the sanctions that the Plaintiff requests in its Motion in the Cause for Enforcement of Mediated Settlement Agreement is reserved until affidavits are presented related to attorneys' fees incurred by the Plaintiff by reason of Defendant's failure to comply with the Agreement; and

IT IS FURTHER ORDERED that no just reason for delay having been shown, pursuant to F.R.Civ.P. 54(b) judgment shall enter at this time.

Signed: August 1, 2007

A handwritten signature in cursive script, reading "Graham C. Mullen", written over a horizontal line.

Graham C. Mullen
United States District Judge

